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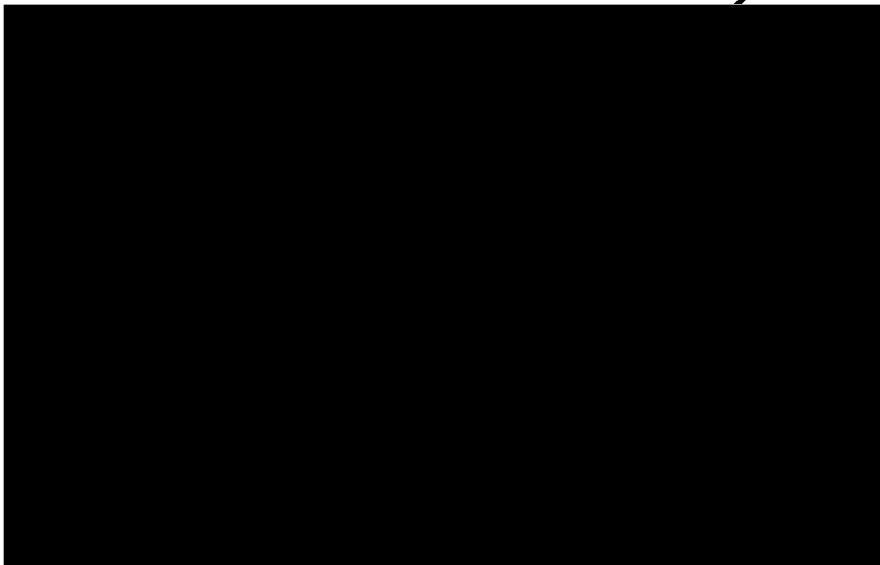
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CURRENT INTELLIGENCE WEEKLY REVIEW

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CURRENT INTELLIGENCE WEEKLY REVIEW

THE BRAZILIAN ELECTIONS

At stake in the national elections scheduled for 7 October in Brazil are 11 governorships; two thirds of the Senate seats, and all 409 seats in the Chamber of Deputies, as well as a considerable number of lesser state offices.

The gubernatorial contests are probably the most important. Governors in Brazil have considerable independent authority, including that of negotiating with Bloc governments for economic aid. Preliminary indications are that as many as seven governorships could be won by anti-US candidates.

The three most significant of the gubernatorial contests are probably those in Pernambuco, the most important state in Brazil's impoverished northeast; in Sao Paulo, the industrial heart of Brazil; and in Rio Grande do Sul, which is the home state of leftist President Goulart and of his demagogic, anti-US brother-in-law, Leonel Brizola, the incumbent governor.

In Pernambuco, pro-Communist Miguel Arraes, who is well liked and is just finishing his term as mayor of the state capital, is running against conservative Jao Cleophas. Early straw polls indicated that 70 percent of the voters favored Arraes over Cleophas, who is closely associated with unpopular sugar interests long dominant in the state's economy. Arraes' campaign has since run into difficulties

largely because of effective opposition from local business and Catholic Church leaders, who have emphasized his Communist connections. In addition, revelations of dishonesty and inefficiency in Arraes' administration as mayor have impaired his appeal as an administrator. This race is nevertheless expected to be close.

In Sao Paulo, former President Janio Quadros is in a three-way contest with a corrupt, pro-US machine politician and a capable but colorless protégé of the incumbent pro-US governor. The governor, who cannot succeed himself under Brazilian law, has campaigned wholeheartedly for his protégé, but Quadros and the machine politician, Adhemar de Barros, apparently have an edge. The Communists are not supporting any of the three candidates, although Quadros has veered to the left in the past year and evidenced hostility to the US during his period as president.

In Rio Grande do Sul, there are three important candidates all of whom are more conservative than incumbent Governor Brizola. However, a victory for Egidio Michaelson, candidate of Goulart's Labor Party, would strengthen Goulart and enhance the reputation of Brizola. It now seems likely that Michaelson may be defeated either by a colorless conservative named Meneghetti or by Goulart's

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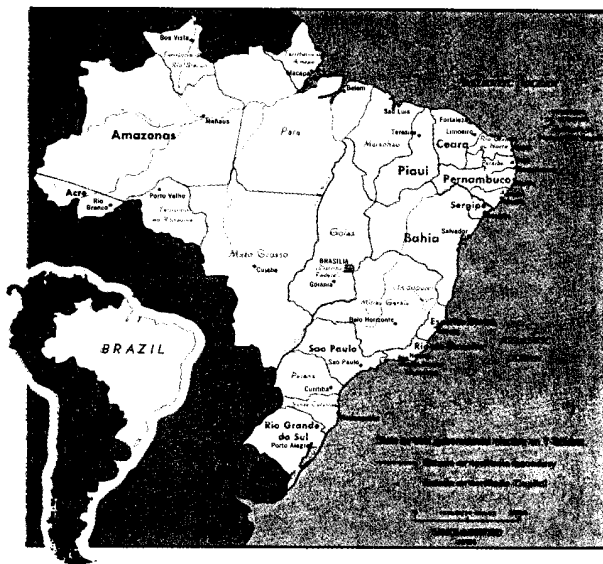
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long-time enemy, leftist non-Communist Fernando Ferrari.

Candidates of the extreme left appear to have an even chance in Rio de Janeiro State and Sergipe. Their prospects seem poorer in Bahai and Ceara. In the remaining four gubernatorial contests, all the leading candidates appear friendly to the US.

Leftists are expected to make a few gains in elections for the Senate. In 14 of 22 states, all leading candidates are centrists or conservatives. Only Piaui--poorest of all Brazilian states--and Rio de Janeiro are likely to elect extremists. In Pernambuco, a millionaire industrialist associated with pro-Communist Arraes has a fair chance of success, while crypto-Communist Djalma Maranhao, mayor of Natal, could win an upset victory.

In the Chamber of Deputies, extreme leftists are expected to increase their strength from 22 percent in the present body to 24-30 percent in the new Chamber. Two of the contests have particular interest. Leonel Brizola, who is seeking leadership of the leftist ultranationalists, is running for federal



deputy from Guanabara, and is seemingly certain to win heavily. Peasant League leader Francisco Juliao is running for federal deputy from Pernambuco. He is not considered an effective political figure and, should he win, his victory could be attributed to the volume of publicity which has surrounded the northeast's Peasant Leagues in recent years. A defeat for Juliao would be a considerable bloc to Communist hopes of extending their influence in the rural areas of the northeast.

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